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UNITED STATES DEPARTMENT OF AGRICULTURE  
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T H E H O G S I T U A T I O N -----  
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Summary.

A seasonal increase in hog marketings is expected during May and June, as the market movement of 1937 fall pigs gets underway in large volume. In view of the prospective increase in marketings and the continued weak consumer demand, the Bureau of Agricultural Economics says that some further decline in hog prices appears probable in the late spring and early summer.

For the remainder of the present hog marketing year up to October 1, 1938, marketings will be considerably larger than a year earlier, but this increase will be partly offset by the smaller storage stocks of pork and lard. It is expected that prices of hogs during the rest of the year will average considerably lower than those of last year. But a moderate price advance may occur in late summer when supplies are seasonally reduced.

Hog prices weakened in the last half of March and in early April, even though slaughter supplies continued relatively small. Inspected hog slaughter in March was smaller than in February or in March last year. During the first half of the 1937-38 marketing year, which began last October, inspected hog slaughter was about 2.3 million head smaller than in the first half of 1936-37. It is expected, however, that inspected slaughter for the entire year, 1937-38, will be about as large as that of a year earlier.

Exports of both pork and lard have increased materially since last summer, and imports of pork have been reduced sharply. February pork imports were considerably smaller than exports and only about one-half as large as imports in February last year. The increase in lard exports in 1937-38 reflects not only the increased domestic production of lard, but also the large supplies of cottonseed oil available from the record cotton crop of 1937.

#### REVIEW OF RECENT DEVELOPMENTS

BACKGROUND.- After a marked decline from late summer through early winter, hog prices rose moderately from late January to early March. In the second week of March the average price of hogs at Chicago reached \$9.40 compared with \$7.75 in mid-December - the low for the winter season. In mid-August of last year, however, the weekly average price of hogs at Chicago was about \$12.40. The rise in prices in January and February resulted chiefly from some strengthening in storage demand and from a rather sharp decrease in slaughter supplies in the latter month. During the fall months the storage demand for hog products was relatively weak.

#### Hog prices decline after early March

Although slaughter supplies of hogs continued relatively small in March, hog prices weakened somewhat during the last half of the month and in early April. The average price of hogs at Chicago for the week ended April 9 was about \$8.50 compared with \$9.40 a month earlier. The average price of hogs at Chicago during March was \$9.12, about \$1 lower than in March last year. The decline in hog prices during the second half of March and in early April apparently resulted from the further weakness in consumer demand for hog products.

#### Hog slaughter reduced in March

Inspected hog slaughter in March totaled 2,610,000 head, about 200,000 head smaller than in February and about 400,000 head smaller than in March last year. In the first half of the present marketing year, which began last October, slaughter in each month, except January, has been smaller than that of a year earlier. Total inspected slaughter of 19.6 million head for the 6 months from October through March 1937-38 was nearly 2.3 million head, or 11 percent smaller than that of the corresponding period of 1936-37. Because average weights of hogs slaughtered thus far this season have been considerably heavier than in 1936-37, the percentage decrease in the total live weight of hogs slaughtered under Federal inspection has been only about one-half as great as the percentage reduction in the number slaughtered.

Inspected slaughter and live weight of hogs, by months, October-March 1936-37 and 1937-38

Month	1936-37			1937-38		
	Inspected slaughter 1/	Live weight		Inspected slaughter 1/	Live weight	
		Average:	Total		Average:	Total
			2/			2/
	Thousands	Pounds	Mil.lb.	Thousands	Pounds	Mil.lb.
Oct. ....	3,492	213	742	2,711	225	611
Nov. ....	4,292	211	906	3,295	225	741
Dec. ....	4,681	215	1,003	3,958	229	906
Jan. ....	3,519	217	705	4,201	234	983
Feb. ....	2,842	219	623	2,833	228	647
Mar. ....	3,033	220	666	2,610	3/230	600
Total or average .....	21,859	216	4,711	19,608	229	4,488

1/ Bureau of Animal Industry.

2/ Computed from unrounded numbers.

3/ Preliminary.

April 1 storage stocks much smaller than year earlier

Storage stocks of pork were reduced in March, but stocks of lard increased slightly. Storage holdings of both pork and lard on April 1, however, were considerably smaller than those of a year earlier. Stocks of pork at the beginning of April were more than 200 million pounds smaller than on April 1, 1937, and were the second smallest for April 1 on record.

During the winter months, when hog slaughter is relatively large, the movement of hog products into storage is considerably greater than the movement out of storage, but during the summer months, when slaughter is relatively small, there is a net out-of-storage movement. The total supply of hog products available for consumption during the summer season is comprised of products derived from hogs slaughtered during the summer and hog products on hand at the beginning of the summer.

Storage holdings of pork and lard on the first of the month,  
specified months

Month	5-year average:					
	1929-30 to		1936-37		1937-38	
	1933-34					
	Pork	Lard	Pork	Lard	Pork	Lard
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
Oct. ....	530	109	362	102	283	73
Jan. ....	565	72	667	146	399	54
Mar. ....	759	103	776	202	583	117
Apr. ....	731	105	756	217	1/543	1/121

1/ Preliminary.

Hog-corn ratio reduced slightly in March

Corn prices rose slightly during March; the average price of No. 3 Yellow corn at Chicago for the month was 58 cents per bushel compared with 57 cents in February. The drop in hog prices along with the rise in corn prices resulted in a decrease in the hog-corn price ratio during the past month. For the week ended April 2, however, this ratio based on Chicago prices was 14.7, which is nearly twice as large as that of a year earlier and also considerably greater than the longtime average ratio of about 11.4.

During the past 6 months hog prices have been high compared with corn prices. And this favorable price relationship for hog producers and the relatively large supplies of feed available have been the chief factors responsible for the heavier average weights of hogs marketed this year than last.

Pork prices steady, lard prices decline in March

Wholesale prices of both fresh and cured pork were fairly steady during March, but prices of lard weakened during the month. As compared with a year earlier, prices of most cuts of fresh and cured pork in March were somewhat lower, and the price of lard was considerably lower.

Pork exports increase - imports sharply reduced

Exports of pork in February, totaling about 6.8 million pounds, were slightly larger than in January and about 2 million pounds larger than in February of last year. Imports of pork, on the other hand, totaled nearly 3.3 million pounds or only about one-half as large as in February 1937. Pork imports have been reduced about 50 percent since last October, while pork exports have increased by more than 40 percent during the same period.



February lard exports much larger than a year earlier

Exports of lard in February totaled approximately 16 million pounds, about 4 million pounds smaller than in January but nearly 12 million pounds larger than in February last year. In the first 5 months of the current hog marketing year, beginning with October 1937, about 96 million pounds of lard were exported from the United States. For the entire 1936-37 marketing year only about 107 million pounds of lard were exported. Of the total shipments abroad from October through February this season about 59 million pounds were exported to Great Britain and about 24 million pounds to Cuba. The much larger exports of lard this year than last reflects to a considerable extent the increased domestic production of lard and the much larger supplies of cottonseed oil in 1937-38 than in 1936-37.

## OUTLOOK

BASICROUND.- In the March and February issues of this report the following indications were given on the outlook for supplies and prices of hogs during the remainder of the year:

- (1) Slaughter supplies of hogs during the remainder of the 1937-38 marketing year will be considerably larger than those of a year earlier. Most of this increase in marketings will occur during the period from May through September.
- (2) Hog prices are expected to decline during the late spring and early summer as hog marketings increase seasonally.
- (3) Some recovery in hog prices may occur after midsummer, depending partly upon developments with respect to consumer demand for meats. It seems fairly certain, however, that the average price of hogs for the summer season (May through September) will be considerably lower than the average of about \$11.15 last summer.
- (4) It is probable that the 1938 spring pig crop will be larger than that of last year. This will mean larger marketings of hogs in the first half of the 1938-39 marketing year, beginning October 1938, than in the first half of 1937-38.

Little change in hog outlook since February

Developments since the issuance of the February report have not been such as to cause much change in the hog outlook. It still appears probable that inspected hog slaughter for the 1937-38 marketing year, ending September 30, will total about 34 million head, about the same as in 1936-37. If this indication proves substantially correct, slaughter during the period from April through September will be more than 2 million head larger than a year earlier. Such an increase seems probable in view of the expectation that pigs farrowed last fall will be marketed largely in the late spring and summer, whereas last year a large number of fall pigs were marketed before May and after September because of the shortage and high prices of feeds. Hog marketings during the summer, however, will be governed partly by the prospects for corn and other feed crops.

Although hog marketings during the remainder of the present marketing year are expected to be considerably larger than those of a year earlier, total supplies of hog products available for the rest of the year may not be much larger than those of last year. The prospective larger marketings of hogs probably will be offset in large part by the reduction from the previous year in storage holdings of pork and lard on April 1. The decrease in stocks of pork and lard from April 1 last year is roughly equivalent to the products obtainable from about 1.9 million hogs of average market weight.

Consumer demand for hog products this summer will be much less favorable than it was last summer. This is evidenced by the recent marked decline in industrial production, the increase in unemployment and the drop in incomes of industrial workers generally. Present prospects indicate little, if any, improvement in the consumer demand for meats during the next several months. It is partly because of the less favorable demand situation as well as the expected increase in slaughter supplies of hogs that the prospects are for lower hog prices during the remainder of 1938 than in 1937.

## HOG PRICES, 1851 - 1937

The table on the following page shows the annual average prices of heavy hogs for the period 1851-1937. For the years 1851-59 the prices are for Cincinnati and are averages of prices given quarterly. For the remainder of the period they are for Chicago and are averages of monthly prices. The index numbers of wholesale prices of all commodities also are given in the table. These data are shown graphically in figure 2 of this report. It will be noted in this figure that the broad swings in hog prices correspond fairly closely with similar movements in prices of all commodities. As would be expected the fluctuations in hog prices are considerably greater than fluctuations in the index numbers of prices of all commodities. The apparent tendency for hog prices to move in cycles is clearly evident in figure 2. The most important reason for the cyclical changes in hog prices, of course, has been the tendency for cycles in slaughter supplies of hogs, which move in opposite direction from the price cycles.



Price per 100 pounds of heavy hogs at Chicago, and index numbers of  
wholesale prices of all commodities, United States, 1851-1937

Year	: Index numbers ::		Year	: Index numbers ::	
	: Prices of	: of wholesale		: Prices of	: of wholesale
	: heavy	: prices of all		: heavy	: prices of all
	: hogs	: commodities,		: hogs	: commodities,
	: 1910-14 = 100 ::			: 1910-14 = 100 ::	
	: Dollars			: Dollars	
1851.....	3.70	83	1880.....	4.85	100
1852.....	5.14	88	1881.....	6.35	103
1853.....	5.39	97	1882.....	7.65	108
1854.....	3.88	108	1883.....	6.20	101
1855.....	4.90	110	1884.....	5.75	93
1856.....	5.12	105	1885.....	4.30	85
1857.....	6.25	111	1886.....	4.30	82
1858.....	4.41	93	1887.....	5.20	85
1859.....	5.65	95	1888.....	5.70	86
:			1889.....	4.30	81
:			:		
1860.....	5.06	93	1890.....	3.90	82.0
1861.....	3.54	89	1891.....	4.30	81.5
1862.....	2.83	104	1892.....	5.00	76.2
1863.....	4.16	133	1893.....	6.55	73.0
1864.....	7.91	193	1894.....	5.05	69.9
1865.....	10.23	185	1895.....	4.35	71.2
1866.....	8.69	175	1896.....	3.40	67.9
1867.....	6.24	162	1897.....	3.65	68.0
1868.....	8.04	158	1898.....	3.85	70.8
1869.....	9.44	151	1899.....	4.05	76.2
:			:		
1870.....	8.46	135	1900.....	5.05	81.9
1871.....	5.03	130	1901.....	5.90	80.7
1872.....	4.31	136	1902.....	6.95	86.0
1873.....	4.53	133	1903.....	6.00	87.0
1874.....	6.00	126	1904.....	5.15	87.2
1875.....	7.44	118	1905.....	5.25	87.7
1876.....	6.81	110	1906.....	6.25	90.2
1877.....	5.29	106	1907.....	6.05	95.2
1878.....	3.75	91	1908.....	5.75	91.8
1879.....	3.70	90	1909.....	7.45	98.7
:			:		
:			:		
:			:		

Continued -

Price per 100 pounds of heavy hogs at Chicago, and index numbers of  
wholesale prices of all commodities, United States, 1851-1937  
Continued

Year	: Index numbers		Year	: Index numbers	
	: Prices of	: of wholesale		: Prices of	: of wholesale
	: heavy	: prices of all		: heavy	: prices of all
	: hogs	: commodities,		: hogs	: commodities,
	: 1910-14 = 100			: 1910-14 = 100	
	: Dollars			: Dollars	
1910.....	8.90	102.8	1930.....	9.60	126.1
1911.....	6.65	94.7	1931.....	6.14	106.6
1912.....	7.55	100.9	1932.....	3.80	94.6
1913.....	8.20	101.9	1933.....	3.96	96.2
1914.....	8.20	99.4	1934.....	5.03	109.3
1915.....	7.00	101.5	1935.....	9.58	116.8
1916.....	9.65	124.8	1936.....	10.07	118.0
1917.....	15.20	171.5	1937.....	10.44	126.0
1918.....	17.50	191.7	1938.....		
1919.....	18.24	202.3	1939.....		
1920.....	14.13	225.4			
1921.....	8.54	142.5			
1922.....	9.42	141.2			
1923.....	7.67	146.9			
1924.....	8.51	143.2			
1925.....	12.19	151.1			
1926.....	12.46	146.0			
1927.....	10.16	139.3			
1928.....	9.58	141.2			
1929.....	10.29	139.1			

Compiled as follows:

Price of hogs -

1851-59, from Wholesale Prices Wages and Transportation, a report by Nelson W. Aldrich from the Senate Committee on Finance. U. S. Senate Report 1394, March 1893. Prices at Cincinnati.

1860-77, from Agricultural Prices, by Henry A. Wallace.

1878-February 1919, from Chicago Drovers' Journal Yearbooks.

March 1919-December 1937, Bureau of Agricultural Economics.

Index of all commodities -

1851-89, Warren and Pearson index, variable group weights.

1890-1937, based on data from the Bureau of Labor Statistics.

Quoted as follows:

Price of hogs -

1851-59, fair to good packing.

1860-February 1919, heavy hogs.

March 1919-June 1923, 250 pounds up, Medium and Choice.

July 1923-June 1930, 250-350 pounds, Medium and Choice.

July 1930-December 1937, average of quotations for 250-290 pounds and 290-350 pounds, Good and Choice.

Supplies of hogs and hog products, specified periods

Item	Unit	Oct.-Sept.					Oct.-Feb.		
		Feb.	Jan.	Feb.	Average:				
		1937	1938	1938	1928-29	1935-	1936-	1936-	1937-
					to	36	37	37	38
					1932-33:				
Hog slaughter									
under Federal									
inspection:									
Number	Thou-								
slaughtered 1/	sands	2,842	4,201	2,833	46,363	31,022	34,142	18,826	16,998
Live weight:									
Average .....	Pound	219	234	228	231	232	221	215	229
Total .....	Mil.lb.	623	983	647	10,723	7,191	7,538	4,045	3,888
Dressed weight :									
Average .....	Pound	164	177	172	175	175	164	160	172
Total .....	Mil.lb.	464	742	485	8,069	5,402	5,586	3,001	2,909
Yield of lard :									
per 100 pounds:									
live weight of:									
hogs .....	Pound	11.6	12.9	12.8	15.2	12.1	10.9	11.5	11.9
Production of :									
lard .....	Mil.lb.	72	127	83	1,630	870	833	465	465
Apparent									
consumption:									
Pork, includ-									
ing lard 2/	do.	404	518	420	7,171	5,124	5,601	2,445	2,459
Lard .....	do.	48	60	49	961	712	756	321	325
Exports: 3/									
Pork .....	do.	5	6	7	211	69	59	23	33
Lard .....	do.	5	20	16	657	101	107	43	96
Imports of pork 3/	do.	6	4	3	6	32	72	25	23
Proportion of sows									
in inspected									
slaughter 4/ .....	Percent	48.0	45.4	45.9	51.2	51.9	51.1	49.2	47.2

1/ Bureau of Animal Industry.

2/ Represents apparent disappearance of federally inspected pork plus unrendered hog fats.

3/ United States Department of Commerce. Pork includes bacon, hams and shoulders, and fresh, canned, and pickled pork. Lard includes neutral lard.

4/ Includes gilts.

## Prices of hogs and hog products, specified periods

Item	Unit						Oct.-Sept.		Oct.-Mar.	
							Average:			
		Mar.	Feb.	Mar.	1923-29	1935-	1936-	1936-	1937-	
		1937	1938	1938	to	36	37	37	38	
					1932-33:					
:Dollars:										
Average price:	per 100:									
Seven markets .....	pounds	9.96	8.16	8.90	1/	9.64	10.28	9.68	8.47	
Chicago .....	do.	10.11	8.33	9.12	6.99	9.90	10.49	9.90	8.66	
U. S. average price										
received by farmers ...	do.	9.17	7.74	8.35	6.48	8.15	9.66	9.13	8.21	
Prices of hog products,										
Chicago:										
Loins, 8-10 lb.....	do.	20.39	16.95	19.83	17.07	21.21	22.29	18.73	18.12	
Hams, smoked, reg. No. 1:										
10-12 lb. ....	do.	22.95	23.38	23.65	20.31	26.53	24.65	23.33	23.73	
Bacon, smoked, No. 1,										
dry cured, 6-8 lb....	do.	26.95	27.38	26.65	23.71	30.86	28.58	27.29	28.48	
Lard, refined,										
H. W. tubs .....	do.	13.15	10.06	9.95	9.68	12.65	13.13	13.20	10.54	
Average price of No. 3	Cents									
yellow corn, Chicago,...	per lb.	116	57	58	62	74	115	110	58	
Hog-corn price ratio: 2/:										
Chicago .....	Bushel	8.7	14.6	15.8	11.6	14.1	9.2	9.0	14.9	
North Central States...	do.	9.0	16.8	19.0	12.9	15.8	9.5	9.2	17.8	
Proportion of packing										
sows in total packer										
and shipper purchases,										
seven markets 3/.....	Percent	4.0	3.0	3.0	1/	16.0	15.0	6.0	6.0	
Average weight at seven										
markets .....	Pound	227	239	243	1/	241	231	217	237	

1/ Not available.

2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs.

3/ Monthly figures computed from weekly averages.

# STORAGE HOLDINGS OF PORK AND LARD ON FIRST OF EACH MONTH, AVERAGE 1930-34, AND 1936 TO DATE

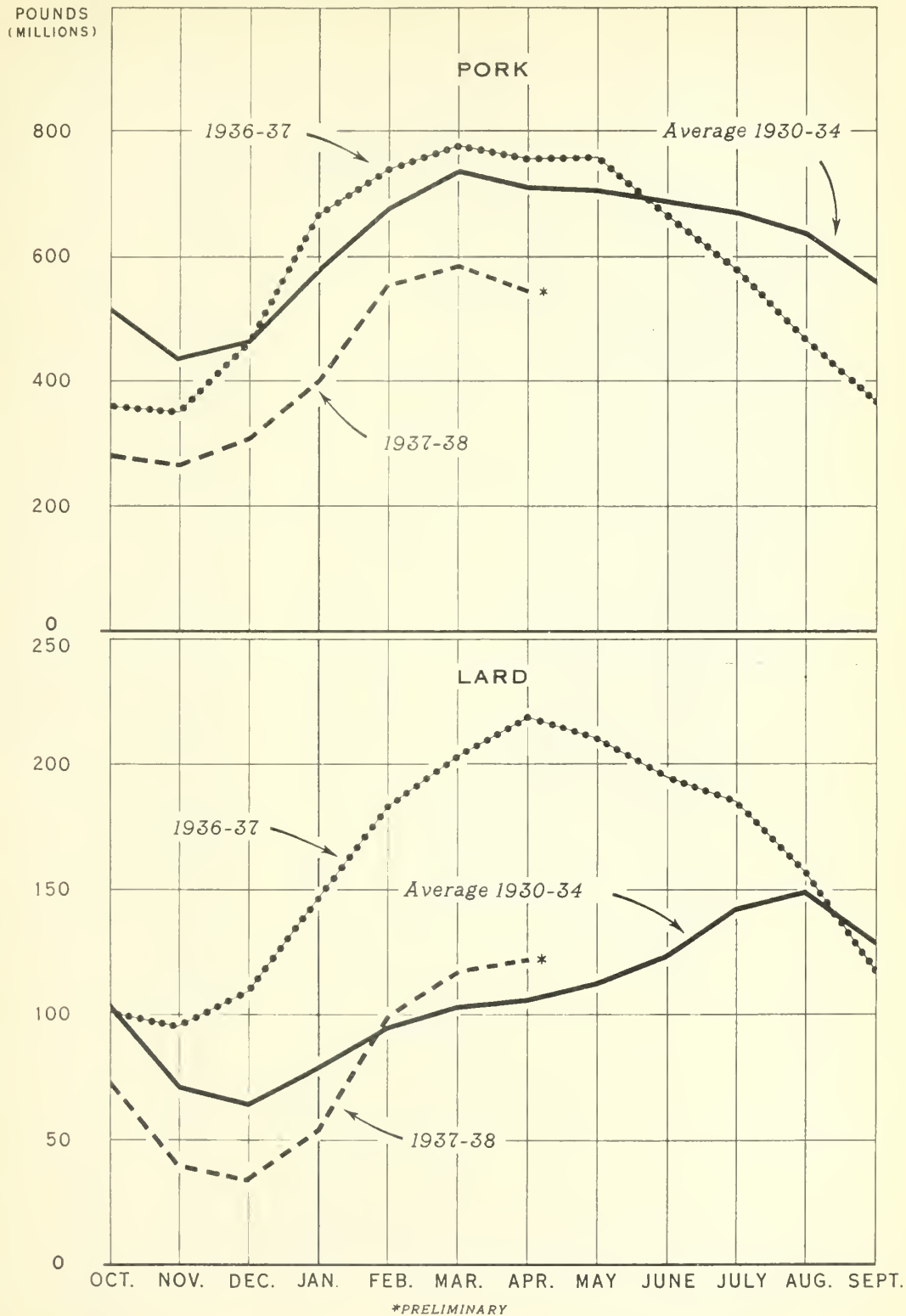


FIGURE I



# PRICE OF HEAVY HOGS AT CHICAGO\*, AND INDEX NUMBERS OF WHOLESALE PRICES OF ALL COMMODITIES, UNITED STATES, 1851 TO DATE

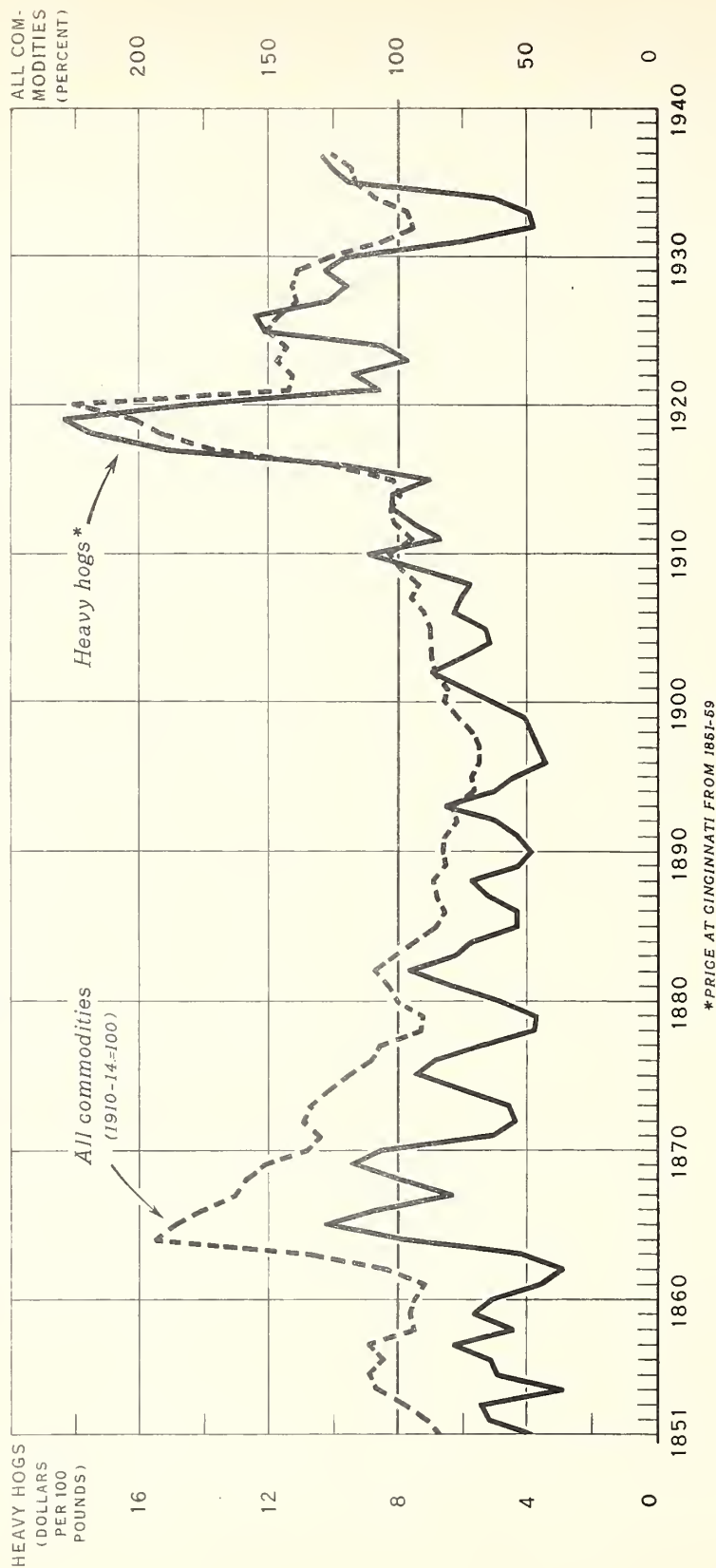


FIGURE 2